

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, November 6, 2018 at 5:30 p.m. in the Logan City Municipal Council Chamber, 290 North 100 West, Logan, Utah. Chairman Thomas C. Jensen conducting.

Councilmember's present at the beginning of the meeting: Chairman Thomas C. Jensen, Vice Chair Councilmember Jeannie F. Simmonds, Councilmember Amy Z. Anderson and Councilmember Herm Olsen. Administration present: Mayor Holly H. Daines, Finance Director Richard Anderson, City Attorney Kymber Housley and City Recorder Teresa Harris. Excused: Jess W. Bradfield.

Chairman Jensen welcomed those present. There were approximately 28 in attendance at the beginning of the meeting.

OPENING CEREMONY:

Jeff Hoedt, Bridger Neighborhood Council Chair gave the opening thought, and led the audience in the pledge of allegiance.

Meeting Minutes. Minutes of the Council meeting from October 16, 2018 were reviewed and approved.

ACTION. Motion by Councilmember Olsen seconded by Vice Chair Simmonds to approve the October 16, 2018 minutes and approve tonight's agenda. Motion carried unanimously.

Meeting Agenda. Chairman Jensen announced there is one public hearing scheduled for tonight's Council meeting.

Meeting Schedule. Chairman Jensen announced that regular Council meetings are held the first and third Tuesdays of the month at 5:30 p.m. The next regular Council meeting is Tuesday, December 4, 2018.

He also announced the upcoming Council meeting scheduled.

November 20 – Canceled

December 4 – Regular Meeting

December 18 – Regular Meeting

January 1 – Canceled

January 7 – Cost of Service Study/Net Metering – 5:30 pm

January 14 – Cost of Service Study/Net Metering – 5:30 pm

January 15 – Regular Meeting

QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL:

Logan resident Keith Schnare addressed the Council. He gave a report from the October 29th Parking Appeals Board meeting and stated the Board reviewed 61 parking appeals

and most of the appeals were denied. Regarding round-a-bouts, he said it's a courtesy to signal as you leave a round-a-bout but is not required.

There were no further questions or comments for the Mayor or Council.

MAYOR/STAFF REPORTS:

Mayor Daines introduced Maddie Mortensen who is the new Herald Journal Government Reporter.

Discussion: Carbon Free Power Project – Mayor Daines

Mayor Daines stated the City is at the point where we need to sign power purchase agreements and she feels that the City should withdraw from the project but she knows there are some on the Council that would like to remain. She asked the Council is they would like to put this on a future agenda for further discussion and vote. This is a new project and no one has ever done it before and because this is using taxpayer money, she personally feels there is too much risk. The City needs to respond back to UAMPS on whether or not they stay with the project or move forward. Currently, we have 30 megawatts and is proposed to go down to 5 megawatts which, will reduce our risk substantially.

Councilmember Olsen said this provides a non-carbon base component for our future electrical needs and he would feel comfortable going down to 20 megawatts. He feels this is a worthwhile project.

City Attorney Kymber Housley stated that a public hearing is not required on this issue.

Vice Chair Simmonds said she feels the Council should have further discussion and a public hearing should be held.

Mayor Daines said is she needs to sign the Power Sales Contract and she requested a resolution from the Council directing her to sign the contract. City Attorney Kymber Housley will prepare the resolution for Council.

Chairman Jensen announced that further discussion and a public hearing will be scheduled.

Presentation: Power Cost of Service Analysis/Rate Study – Mark Montgomery, Light & Power Director

Light & Power Director Mark Montgomery addressed the Council and introduced Consultant David Berg who prepared the Cost of Service Analysis/Rate Study for the City of Logan.

Mr. Berg stated what he is presenting tonight are preliminary results and he will come back to the Council on December 4th with a final report. He showed a projection out to 2023 which shows that existing rates remain in place and do not change. The report also

shows they have assumed no real net growth in overall sales. There is no need for additional revenue through a rate increase. The City has a built-up reserve amount in electric utilities that can be used if needed. The final projected level of reserves will be above the 42% of operating revenue left for electric utility. He does not propose any kind of overall rate increase.

He said although he is not recommending a rate increase he is recommending a restructuring of the rates. For the City's residential and commercial customers there is no customer charge in place where there is a fixed amount per month regardless of whether or not they are utilizing any energy. There are very few electrical companies in the country that don't have fixed monthly customer charges.

Mr. Berg said in regards to net metering and solar customers, the current City policy is those solar customers get paid the full retail rate for all of the energy they produce from solar power. A lot of utility companies are looking at net metering with regard to how they can be fair to the solar generators but also remove some of the subsidies that exist from regular customers. He reviewed a list of Net Metering Options which are the following:

1. Maintain current policy
2. Higher monthly customer charge
3. Retail demand/energy rate
4. Grid access fee
5. Higher minimum bill provision
6. Feed in tariff – buy all/sell all

Councilmember Olsen asked in regards to the Net Metering Options, what is typically recommended.

Mr. Berg recommended the grid access fee which, is reasonably fair to the solar customer and to non-solar users. The grid access fee is very easy to administer and is self-sizing because the amount of the fee is based on the size of the solar generation the person owns. Users are allowed to roll over their energy and use during other times of the year such as during the winter season. Most utilities allow rollovers on a monthly basis and most that he has worked with will cut it off at the end of the year. In Logan if solar is over generated over the course of the year, basically you lose it. The reason for this is to encourage people to size their system correctly. There is a lot of variation on what is required by legislation in different states. In Utah, different municipal utilities are not subject to the law, only Rocky Mountain Power is at this time. Municipalities are self-regulated by their Council from a rate perspective.

Chairman Jensen thanked Mr. Berg for attending tonight's meeting and looks forward to his hearing more information at the December 4th Council meeting.

Mayor Daines reported that the City's membership in the Utah League of Cities and Towns allows three votes on the Legislative Policy Committee. Currently, she is serving along with Rich Anderson. She will also appoint Vice Chair Jeannie Simmonds to serve on the committee.

Environmental Director Issa Hamud reported that a Solid Waste Advisory Board meeting is scheduled for December 10th at 1:00 p.m. in the Environmental Conference Room. Two topics of interest to the Council will be discussed at this meeting which are a proposed countywide ban on plastic bags and allowing counties in the Northwest area of Cache County to use the North Valley Landfill for personal disposal.

No further items were presented.

COUNCIL BUSINESS:

Planning Commission Update – Vice Chair Simmonds

Vice Chair Simmonds reported on the recent Planning Commission meeting which included a rezone that the Council will hear more about tonight.

Presentation: Comprehensive Annual Financial Report (CAFR) – Richard Anderson, Finance Director

Logan City Finance Director Richard Anderson addressed the Council regarding the Comprehensive Annual Financial Report (CAFR). He stated the Council has been provided a copy of the CAFR and copies are also available at the Library and on the City website. He referred to pages 13-19 which has information about the City's financial statements and pages 22-32 where the City's financial statements are presented. The CAFR shows that the City has good reserves in each of these funds and in a strong financial position. Not included in the CAFR, and is something the City needs to focus on is deferred maintenance. The Council and Mayor have raised rates to address some of these deficiencies and have looked for ways to streamline and put more money towards capital each year.

Auditor Steven Rolley addressed the Council and said the Council oversees the CAFR which was prepared by the City Finance Department. He said the controls and processes of the City of Logan are solid and he did not find any weaknesses or deficiencies in the controls. The City has very sound accounting procedures and very good people working in the Finance Department.

Chairman Jensen thanked Finance Director Rich Anderson and his staff for their good work.

No further items were presented.

ACTION ITEMS:

PUBLIC HEARING - Budget Adjustment FY 2018-2019 appropriating: \$50,000 funds the City will receive from Cigna. The funds will be used to promote wellness among the City employees with activities, newsletters, and other wellness programs; \$6,726 funds the Police Department was awarded for bullet proof vest purchases this fiscal year - Resolution 18-49

At the October 16, 2018 Council meeting, Finance Director Richard Anderson addressed the Council regarding the proposed budget adjustments.

Chairman Jensen opened the meeting to a public hearing.

There were no comments and Chairman Jensen closed the public hearing.

ACTION. Motion by Councilmember Olsen seconded by Councilmember Anderson approve Resolution 18-49 as presented. Motion carried unanimously.

(Continued from the October 2, 2018 Council meeting) - Zone Change – Consideration of a proposed zone change. Kevin McGaha/Michael K. Jones Trustee of Ralph L. Huber Family Trust, authorized agent, owner, requests to have a 1.54-acre parcel rezoned from Recreation (REC) to Commercial (COM) as it was previously zoned (2006-2012) located at 114 East 1000 North – Ordinance 18-14

Planner Russ Holley addressed the Council and gave an update on the project which has been continued several times.

BACKGROUND

The proponent is requesting to rezone approximately 1.5 acres of property from REC to COM. This property was developed in 1964 as the “Municipool” and used as a public indoor swimming pool for several decades. The ownership and management has varied over the years between the City of Logan and the Logan City School District. In 2006 the property was acquired by Lowell Huber and was operated as a scuba diving training facility. Recently, the property has been poorly maintained and is currently accruing Logan City code enforcement fines for refuse and unauthorized business activities. Based on visual inspections, used cars are being displayed and offered for sale on the property. The REC zoning district does not permit used car sales. The COM zone allows used cars sales after a Conditional Use Permit is approved. The current Cache County parcel map and recorded legal description show the southern property line on this parcel bisecting the north portion of the Middle School building creating a setback violation. In 2011, there was a property boundary dispute along the southern property line adjacent to the school. Staff was unable to locate a recorded document concerning the parcel line adjustment.

GENERAL PLAN

The Future Land Use Plan (FLUP) adopted in 2008 identifies this property as REC. REC zones are described in the General Plan as areas for recreation and park facilities. They are typically publicly owned, but may also be privately owned facilities such as, but not limited to, campgrounds and golf courses. REC lands may also be designated as open space for trails and nature preserves. COM areas are intended for retail, service and hospitality businesses that serve city-wide populations. COM zoning districts allow for the widest range of commercial uses within the City.

ZONING HISTORY

From 2011 to present, the zoning is REC. From 2007-2011 the zoning was COM. From 2000-2007 the zoning was SFR. From 1968-1999 the zoning was R2. Other than a short

period of time between 2007-2011, the property has been zoned as lower density residential or recreation.

SUMMARY

Given the proximity to existing commercial developments along Main Street and 1000 North the COM zone designation is a logical designation for this property. Aside from the Middle School interface along the southern property boundary, the neighborhood and streetscapes in the area are commercial in nature. With commercial developments and services already established along three sides of the Middle School property (west, south, north), the City is unaware of property incompatibilities or complaints.

The property appears (cars parked on the property with writing on the windshield saying; “For Sale”) to currently operate as a used car lot, which is not permitted in the REC zone. The Planning Commission may choose to hold this action request until the apparent unauthorized use is completely removed. If the property is successfully rezoned, a Conditional Use Permit would be required prior to the legal establishment of a car sales business.

Based on a newspaper article from 2011, an apparent property agreement changed the boundary between the middle school and this property that would potential eliminate building setback violations and create a buffer between the two buildings. This agreement has not been recorded with the County Recorder and staff is unaware of its whereabouts. Again, the Planning Commission could choose to hold this request until this agreement is reviewed, considered and recorded.

Staff recommended that the Planning Commission recommend approval to the Municipal Council for a rezone of approximately 1.5 acres of property located at 114 East 1000 North from Recreation (REC) to Commercial (COM).

On July 26, 2016, the Planning Commission recommended that the Municipal Council approve the 114 East 1000 North rezone project that amends the Official Zoning Map.

Mr. Holley stated the applicant met with City Engineer Bill Young and submitted an application for a boundary line adjustment. The boundary line adjustment has not been approved or recorded at this time.

Chairman Jensen asked if the car sale issue has been resolved.

Mr. Holley responded that to his knowledge the car sale operation has ceased. There is some storage of cars at the location but they are not being advertised for sale. Any type of car storage or car sales in the Commercial Zone would require a Conditional Use Permit.

Mr. Housley explained that a public hearing has already been held and the rezone it was not advertised as a public hearing at tonight’s meeting.

Chairman Jensen said the Council cannot act on the rezone until the boundary line adjustment has been resolved.

Attorney Kevin McGaha, who represents Lowell Huber on the proposed rezone addressed the Council. He stated this area was previously zoned Commercial and then was rezoned to Recreation without notice to the landowner. After a discussion with City Engineer Bill Young, it became apparent that he would not be able to meet the conditions without going back to the school district and doing that would be an extremely burdensome process. He referred to State Statute 10-9-523 states that a parcel boundary adjustment is not subject to a review by the Land Use Authority. He reminded the Council that the Planning Commission recommended approval and the Logan School District also supports the rezone.

Councilmember Olsen said he is reluctant to approve something that isn't yet recorded so that a subsequent owner might come and renew the argument that the boundary line should be somewhere else.

Vice Chair Simmonds said the Council was told at the first presentation of this proposed rezone that the boundary line adjustment just needed to be recorded and that both parties had agreed to the boundary.

Mr. Housley said the boundary line adjustment should be an easy thing to resolve. This is the first time, even though he has asked, that the City's Engineering Department is having any issue with this rezone and the setbacks. The question was raised whether or not Mr. Huber has to go through this process and there is no question that he does. He explained that a parcel adjustment is not the same as a boundary line adjustment and this definition was emailed to Attorney McGaha. What isn't subject to legislative body approval with the Local Land Use Authority is when you have a disputed property line where two property owners cannot agree on where the line is located. If they settle and say, this is where the boundary will be, that is not subject to our review and that is not the case with this rezone. Everybody knows where the parcel boundary is located they just voluntarily both want to move it and that is subject to our review.

City Engineer Bill Young addressed the Council and said the boundary line adjustment submitted was the property line on the East side of the Lowell Huber property and the South side came up and adjoined on the outside of the school building. There is a setback requirement based on City code from a property line to a building and he requested that the property line be adjusted to the South line to accommodate our City requirements for setbacks on a building. The property line Mr. Huber mentioned is right at the building line without the 10-foot setback.

Property owner Lowell Huber addressed the Council and said the property line is not at the building and the property description has been completed which includes the 10-foot setback.

Mr. Housley said these are things that will need to be worked out. He does not see this as a hurdle but, it won't be resolved tonight.

Chairman Jensen stated the boundary line adjustment needs to be recorded before the Council approves.

ACTION. Motion by Vice Chair Simmonds seconded by Councilmember Anderson to continue Ordinance 18-14 to the December 4, 2018 Council meeting as presented. Motion carried unanimously.

Consideration for adoption of a resolution of the Municipal Council of Logan City, Utah authorizing the issuance and sale of its Sewer Treatment Revenue Bonds, Series 2018 in the aggregate principal amount of \$40,000,000; and related matters – Resolution 18-51

Logan City Finance Director Richard Anderson introduced Aaron Wade with Gilmore and Bell.

Mr. Wade addressed the Council and said in 2016, the Municipal Council approved up to \$110,000,000 for Sewer Treatment Revenue Bonds and at that time \$70,000,000 of those bonds were issued. The remainder of those bonds are coming before the Council tonight for approval. A public hearing was held in 2016 so there is no need to hold another public hearing tonight.

Mr. Anderson further explained that \$70,000,000 in bonds were issued and it will be the intent with the Council's approval of this resolution, to issue an additional \$30,000,000 to bring the total debt on the Sewer Treatment Plant to \$100,000,000. We will then deposit \$30,000,000 from City reserves into an escrow account with all funds combined for a total of \$130,000,000. Over the next three years during the construction process, we will deposit an additional \$11,000,000 to bring the total cost up to \$141,000,000. Should we encounter additional costs, there is some flexibility with a contingency fund of approximately \$4,000,000. There will also be an additional \$10,000,000 left on the parameters resolution that was originally approved in 2016 which, and can be used but would necessitate an increase in rates.

ACTION. Motion by Vice Chair Simmonds seconded by Councilmember Anderson to approve Resolution 18-51 as presented. Motion carried unanimously.

WORKSHOP ITEMS:

Budget Adjustment FY 2018-2019 appropriating: \$25,000 additional funding the Parks & Recreation Department received from the Utah Department of Transportation (UDOT) for construction of the Canyon Connector Sidewalk; \$104,475 funds for the After-School Quality Improvement Grant that was awarded to Parks & Recreation. These funds will be used to create, expand, and support After-School programs - Resolution 18-50 – Richard Anderson, Finance Director

Finance Director Richard Anderson addressed the Council regarding the proposed budget adjustments.

The proposed resolution will be an action item and public hearing at the December 4, 2018 Council meeting.

REZONE – Consideration of a proposed ordinance to rezone approximately 0.84 acres of property at 1300 West 200 North (Amber Fields Phase 3) from Neighborhood Residential Traditional (NR-6) to Industrial (IP) – Ordinance 18-19 – Russ Holley, Planner

Planner Russ Holley addressed the Council regarding the proposed rezone. The proponent is requesting to rezone a 0.84 acre parcel within phase three of the Amber Fields subdivision from NR-6 to IP. The area was originally designated as open space with the 2009 Amber Fields Planned Unit Development (PUD) subdivision permit. PUD subdivisions required open space in exchange for smaller lot sizes or cluster developments. That original 2009 PUD subdivision permit expired and a subsequent March 2017 standard single-family subdivision (PC #17-014 Amber Fields) was approved by the Planning Commission for 89 lots. The area under consideration for rezone, was labeled as a 1.49 acre remainder parcel with an approximate 9,000 SF detention pond for storm water runoff. Now the area is shown as a 0.88-acre common space for the detention pond and a 0.84-acre remainder parcel. During the PC #17-014 Amber Fields subdivision permit process, the applicant was made aware of the Landfill Overlay Zone, which prohibits residential land uses within a ¼ mile radius of the landfill. The Landfill Overlay zone prohibits residential land uses, but does allow non-residential base-zone land uses along with some limited agricultural and plant nursery land uses.

Mr. Holley continued and said given the proximity to phase 3 and 4 of the Amber Fields single family subdivision, staff is concerned with IP and NR zoning compatibility because of the potential negative impacts IP developments pose to immediate non-industrial neighbors. If rezoned, this would be the only industrial land in the vicinity south of 200 South and would become a very small isolated area surrounded by larger areas of PUB and NR zoning. The CS zone across the street to the north and nearly 600 feet away, are far enough away making any sort of cohesion difficult to achieve. The FLUP didn't envision any sort of Industrial uses in the area. This particular area hasn't had any expectation for development documented on official Logan City maps or plans. The applicant was aware of the Recreation Zone, Landfill Overlay and the previous Open Space designations during the March 2017 subdivision permit process. Staff recommends that the Municipal Council deny this rezone request.

On October 25, 2018, the Planning Commission recommended that the Municipal Council Deny the Amber Fields Rezone project that amends the Official Zoning map.

Mr. Holley said there is the possibility that the land owner will come before the Council and provide a deed restriction that might limit the size to mitigate some of the impacts. The proponent indicated that he is considering building commercial storage units on the property which are only allowed in the Industrial Park Zone.

Mr. Housley said he spoke with the proponent's attorney regarding a deed restriction and told him we have done two deed restrictions in the past, one for density and another for a height restriction. The proponent was told that we have never done a deed restriction that would limit the use and suggested that the Council first decide if they want to zone the area for storage units before any language is drafted. State law does not prohibit building homes

in this area but is suggested by the Environmental Protection Agency and that is why there is a ¼ mile buffer zone next to the landfill.

The proposed ordinance will be an action item and public hearing at the December 4, 2018 Council meeting.

Consideration of a proposed ordinance repealing Logan Municipal Code Chapter 2.06 “Officers’ Bonds and Oaths” – Ordinance 18-20 – Kymber Housley, City Attorney

City Attorney Kymber Housley addressed the Council regarding the proposed ordinance. He explained there is a State law requirement that we have to follow and a City ordinance in regards to penal bonds. The Utah Local Governments Trust is considering proposed legislation that will modify the State law to allow us to have penal bonds or a crime policy. Currently, we have a crime policy with a \$5,000,000 limit and the language in the penal bonds are smaller amounts. Rather than have potential conflicts, he proposed removing language from the Municipal Code and just rely on the State law.

The proposed ordinance will be an action item at the December 4, 2018 Council meeting.

OTHER CONSIDERATIONS:

Councilmember Anderson announced that November is National Hospice and Care Giver Month and she thanked all those who take such good care of those in need.

No further considerations were addressed by the Council.

ADJOURNED. There being no further business to come before the Council, the meeting of the Logan Municipal Council adjourned at 7:10 p.m.

Teresa Harris, City Recorder